



Cleveland District Office News

Information for the Small Business Community

February 2006

U.S. Small Business Administration
Cleveland District Office

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February 2006 Newsletter
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For More Information
SBA Home Page: www.sba.gov

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk:
1-800 U ASK SBA
- Fax: 202-205-7064
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640

All of the SBA's programs and services are provided to the

public on a non-discriminatory basis.



LOAN REPORT *as of January 31, 2006*



Total Loan Volume 7(a) and 504 Combined

Bank	Number of Loans	Dollars (In Thousands)
Charter One Bank	213	\$12,055
National City Bank	91	\$10,023
US Bank	68	\$2,668
Sky Bank	46	\$8,814
JPMorgan Chase Bank	38	\$6,051

504 Loans

Bank	Number of 504s
KeyBank	9
First Merit Bank	9
Sky Bank	4
Charter One Bank	3
First National, PA	2
JPMorgan Chase Bank	2
National City Bank	2
Zions First National	2

	Number of Approvals	Dollars (In Thousands)
CDC		
Growth Capital Corp.	10	\$3,435
Cascade Capital Corp.	8	\$2,751
Lake County SBAC	7	\$2,032
Stark Dev. Board Finance Corp.	6	\$1,682
MVEDC	4	\$1,694
Ohio Statewide Dev. Corp.	2	\$1,432
Community Capital Dev. Corp.	2	\$464

New SBA Web Portal MY BIZ for Women Offers Women Entrepreneurs New Online Tool for Business Start-Up

The U.S. Small Business Administration has announced the launch of *MY BIZ for Women*, a new online tool designed to provide comprehensive business information and assistance to women entrepreneurs. *MY BIZ for Women* is designed to be the first step for all women business owners, providing one-stop access to information for women entrepreneurs highlighting the best resources the government has to offer.

The Web portal provides information on starting and growing a small business, gaining access to capital and contracting opportunities and links to other government agencies and SBA resource partners offering business counseling, a state-by-state listing of SBA's Women's Business Centers and other resource information. The *MY BIZ for Women* Web site can be found at <http://www.SBA.gov/women>.

"Women-owned small businesses in the United States are rapidly growing – they are starting businesses at twice the rate of all businesses," said SBA Administrator Hector V. Barreto. The introduction of *MY BIZ for Women* is critically important to help new women entrepreneurs start and grow businesses in this country. The SBA is committed to helping women entrepreneurs obtain access to information and opportunities that will allow them to break down economic development barriers, which will allow them to start and grow their small business."

The launch of *MY BIZ for Women* was announced at a White House event honoring the new Chair of the National Women's Business Council (NWBC) Tami Longaberger. Longaberger, the CEO of The Longaberger Company in Newark, Ohio, was appointed by President Bush to the post in May 2005. *MY BIZ for Women* will provide easy online access to the latest information and business resources, serving as a single point of entry for women entrepreneurs to government resources. Highlights of the new Web portal feature up-to-date information on the issues of women in business, including Women's Business Data & Research; Inspiring Success Stories; Business Tips and Upcoming Events. Women will be able to gain valuable insights into the world of entrepreneurship from monthly guest columnists who will share their wisdom and experience from unique perspectives. They can also subscribe to *The Women's Perspective*, a free SBA newsletter for women in business. ♦

News for SBA Lenders

Prohibition Regarding the Use of SBA's Logo



Lenders are not permitted to use the SBA logo in any manner with the exception of window/building decals that inform the public of their status with the SBA (i.e. participating, certified, preferred)." (Section 3, para.1.c. of SOP 90 55, Graphics & Writing Standards) The sole exception would be activities authorized by a co-sponsorship agreement with SBA. The SOP also contains the following question and answer:

Q: Can lenders use the SBA logo in their advertisements?

A: No. Lenders may, however, identify themselves as SBA participating lenders by placing the appropriate decal on the window of the lending institution. Neither the SBA logo nor the decal may be used in a lender's advertisement. (Appendix A, SOP 90 55)

In a lender's advertising, however, the lender may make a factual statement concerning its status with SBA without the use of any SBA logo (e.g., Bank X is an "SBA preferred lender"). SOP 90 55 may be found on SBA's Intranet website at <http://yes.sba.gov>, then click on "SOPs." ♦

SBA Business Financing Surpasses \$1 Billion in Hurricane Affected Areas

Demonstrating a strong commitment to help businesses affected by last year's devastating hurricanes that struck the Gulf Coast and Florida, the U.S. Small Business Administration has already approved over \$1.1 billion in loans through a combination of the agency's direct disaster loan and regular loan guarantee programs. More than 9,700 low-interest, SBA disaster loans, totaling over \$791 million have been approved for businesses in Louisiana, Mississippi, Texas, Alabama and Florida following the hurricanes. More than 1,740 loans totaling more than \$334 million have been made to small businesses in the affected areas through the SBA's two main business loan programs.

There are two types of disaster loans. A business of any size may obtain loans to finance the reconstruction of business that has been physically damaged. Small businesses may receive an economic injury disaster loan if they have been economically impacted by a disaster. There are two types of regular SBA small business loans included in the totals. The first is the 7(a) general business loan guarantee program. The other is the 504, Certified Development Company loan program used for financing fixed assets. ♦

Small Business Drives Inner City Growth and Jobs

New Report Documents Dynamics Of Inner City Economies

Small businesses are the drivers of inner city economies and job growth, according to a study released by the Office of Advocacy of the U.S. Small Business Administration. The report documents the dynamics of America's inner city economies, which are larger and more active than is generally understood.

State of the Inner City Economies: Small Businesses in the Inner City reports that small businesses are the greatest source of net new employment in inner cities. They comprise more than 99 percent of inner city business establishments and they generate 80 percent of the total employment in those areas. In all, America's inner city small businesses employ about nine million people, or eight percent of the U.S. private workforce.

"This report demonstrates that local entrepreneurs are not only the backbone of inner city economies but their strongest source of new jobs," said Steve Adams Region I Advocate for the Office of Advocacy and formerly the Director of the Center for Urban Entrepreneurship at the Pioneer Institute. "Policy makers should take note of these findings showing that supporting new and established entrepreneurs in inner cities should take priority in their urban development strategies."

The study is the result of a larger project undertaken by the Initiative for a Competitive Inner City (ICIC) and partially funded by the Office of Advocacy. Other funders include the U.S. Economic Development Administration, the John D. and Catherine T. MacArthur Foundation, and the Greater Kansas City Community Foundation. The report notes that inner city businesses are similar to business in the rest of their Metropolitan Statistical Areas, exhibiting similar startup and bankruptcy rates. It also found that inner city job growth was concentrated in service industries, mirroring the trends in other areas.

The Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats and it funds research into small business issues. ♦

For more information and a complete copy of the report, visit the Office of Advocacy web site at www.sba.gov/ado. The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. For more information, visit www.sba.gov/advo, or call (202) 205-6533.

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SBA Implements New Policy to More Accurately Report on Small Business Federal Contracting

The U.S. Small Business Administration has implemented a new policy that enables the federal government to more accurately monitor contract awards when a small business is purchased or merged with a large business through the process of novation. The new policy requires a business to recertify itself as small for federal contracts transferred to it from another business if the contract is to continue being counted as a small business contract. It will also assist small businesses in obtaining contracts as federal agencies seek out new small businesses for contracting opportunities. The policy recognizes that a business can be legitimately small when it is awarded the contract, but become a large business by merging or being acquired by another company. Until recently, that company did not need to recertify if it transferred the contract to the acquiring business.

In the novation process, once a small business has been acquired by means of a purchase or merger, the contract is rewritten to reflect the transfer of ownership and the small business owner must reaffirm its small business status by submitting a written self-certification statement to the contracting officer of the procuring agency. Once the small business status has been established by the new owner, the contracting officer can count the contract toward the agency's small business contracting goals. When a small business becomes part of a large business through purchase or merger, federal contracts that are transferred to a large acquiring business needs to be properly counted as contracts now held by large businesses. ♦